

# SENATE BILL REPORT

## HJM 4011

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As Reported By Senate Committee On:  
Energy, Technology & Telecommunications, March 25, 1999

**Brief Description:** Allowing schools and libraries to receive telecommunications at below-tariffed rates without losing universal service discounts.

**Sponsors:** Representatives Bush, Poulsen, Radcliff, Thomas, Scott, Huff, D. Schmidt, Lantz, Benson, Kessler, Wolfe, Schoesler, Santos, Grant, Quall, Boldt, Pennington, Mastin, Koster, Hankins, Esser, Regala, Cox, Schindler, McDonald, Clements, Wood, Cooper, Kenney, Reardon, Hurst, Talcott, Hatfield, Tokuda, Conway, Sump, Lovick, D. Sommers, Schual-Berke, Carlson, H. Sommers, McMorris, Fortunato, Murray, O'Brien, Anderson, Veloria and Haigh.

**Brief History:**

**Committee Activity:** Energy, Technology & Telecommunications: 3/23/99, 3/25/99 [DP].

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### SENATE COMMITTEE ON ENERGY, TECHNOLOGY & TELECOMMUNICATIONS

**Majority Report:** Do pass.

Signed by Senators Brown, Chair; Goings, Vice Chair; Fairley, Fraser, Hochstatter and Roach.

**Staff:** Karen Kirkpatrick (786-7403)

**Background:** Washington State is developing the K-20 Educational Telecommunications Network (K-20 Network). The K-20 Network leverages the state's purchasing power so that the state gets the best price possible for telecommunications infrastructure deployment. The K-20 Network is a statewide telecommunications network that is linking K-12 school districts, educational service districts, public and private baccalaureate institutions, public libraries, community colleges and technical colleges.

The K-20 Network does not extend to nonprofit independent baccalaureate institutions (such as Antioch University, Cornish College of the Arts, Gonzaga University, etc.) because a Federal Communications Commission (FCC) ruling potentially makes inclusion of such institutions in the K-20 Network cost prohibitive.

Pursuant to the Telecommunications Act of 1996, the FCC implemented a universal service fund program that provides telecommunication service discounts to public schools and libraries. However, the FCC ruled on May 8, 1997, that schools and libraries joining consortia including non-governmental entities cannot take advantage of the universal service fund program unless the services purchased by the consortia are based on tariffed rates. Washington is concerned that nonprofit independent baccalaureate institutions would be considered non-governmental entities by the FCC.

On July 16, 1997, the Washington State Department of Information Services (DIS) petitioned the FCC to clarify that Washington schools and libraries would not lose universal service program discounts if they include nonprofit independent baccalaureate institutions in the K-20 Network. After 18 months, the FCC has not yet responded.

**Summary of Bill:** The President of the United States and members of the Senate and House of Representatives are petitioned to urge the Federal Communications Commission to promptly address the matters raised in DIS's petition by ruling that schools and libraries may participate with nonprofit independent baccalaureate institutions in procuring below-cost telecommunications services without losing universal service discounts.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Testimony For:** The inability of the FCC to move forward is delaying the completion of the K-20 network. Education in Washington is diminished by the delay and the inability of non-profit independent baccalaureate institutions to connect to the network. These institutions have a huge impact on the state, providing a majority of masters degrees in education, computer science and business. The advantages of the network should be available to all educational institutions throughout the state.

**Testimony Against:** None.

**Testified:** PRO: Rep. Roger Bush, prime sponsor; Steve Kolodney, DIS.